Minimum Wage Profile
July 2004 - June 2005

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Introduction

The following profile presents current information on minimum wage earners in Alberta and the other provinces. The statistics compare the percentage of Alberta employees earning minimum wage to that of other provinces and provide characteristics of Alberta minimum wage earners.

The Minimum Wage Profile is updated annually in July as a review of 12-month average minimum wage data and any wage rate changes. It is important to note that the minimum wage rates are specific to each province and are used instead of one common rate for all provinces. Canada's rate is the aggregate of each province's minimum wage rates.

Results

According to the minimum wage data, the minimum wage earner profile is as follows:

- young (15-19 years old)
- part-time work
- private sector work
- permanent employment
- non-union employees
- less than one year of job experience
- work in the Accommodation and Food Services industry
- work in a Sales and Service occupation n.e.c. (See Appendix A)
- some high school education
- female

In the last two profiles, Alberta's proportion of minimum wage earners remained relatively unchanged while that of Canada increased by 0.8 percentage points. The latter occurred because many provinces' minimum wage increased (see next section).

Minimum Wage Profile	Percentage of Alberta Employees Earning Minimum Wage	Percentage of Canadian Employees Earning Minimum Wage
July 2004 – June 2005	0.8%	6.4%
July 2003 – June 2004	0.9%	5.6%

Minimum Wage Increases (for the period of July 2004 to June 2005)

The minimum wage rates as of June 1, 2005 in each province were used in this analysis. Six provinces had increased their minimum wage since the last profile:

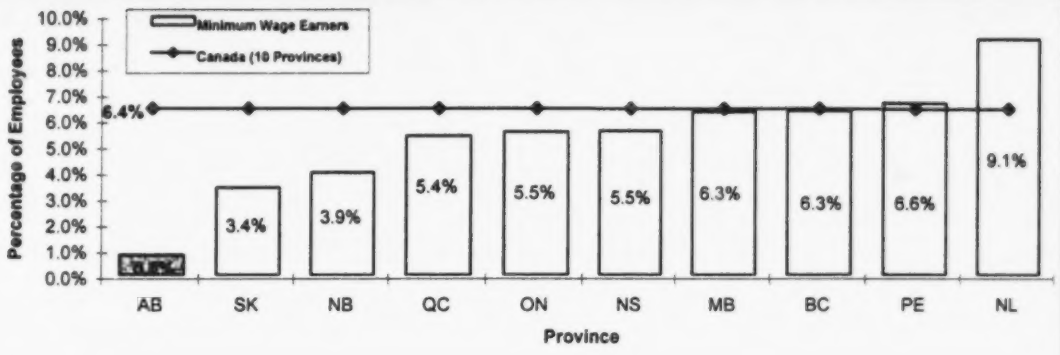
Minimum Wage Rate Used	July 2004 – June 2005	July 2003 – June 2004
Manitoba	$7.25	$7.00
Ontario	$7.45	$7.15
Québec	$7.60	$7.45
New Brunswick	$6.30	$6.20
Newfoundland & Labrador	$6.25	$6.00
Prince Edward Island	$6.80	$6.50

Below is a table comparing the percentage of minimum wage earners of these six provinces from the two most recent profiles.

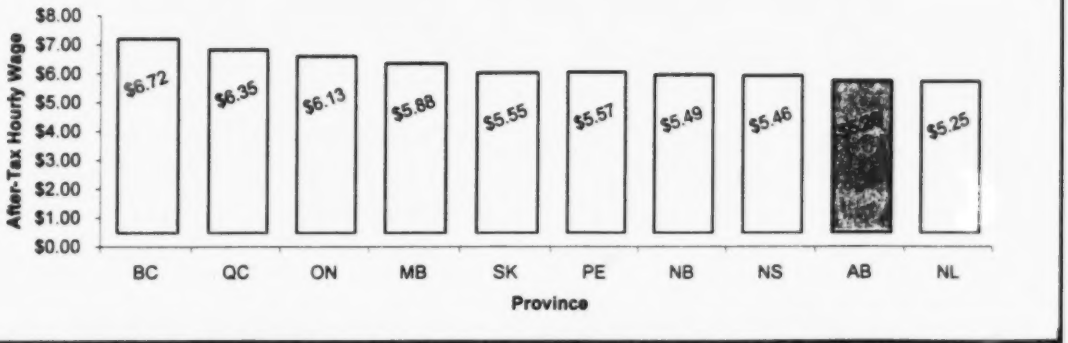
Percentage of Employees Earning Minimum Wage	July 2004 – June 2005	July 2003 – June 2004
Manitoba	6.3%	7.4%
Ontario	5.5%	6.8%
Québec	5.4%	5.4%
New Brunswick	3.9%	3.4%
Newfoundland & Labrador	9.1%	7.1%
Prince Edward Island	6.6%	6.2%

Three of the six provinces with increases to their minimum wage also had an increase in their percentage of minimum wage earners. Québec remained unchanged while Manitoba and Ontario experienced decreases in the percentage of minimum wage earners.

Minimum Wage Profile - (July 2004 - June 2005) continued



Nearly all of Alberta's employees earned more than minimum wage. The province had the lowest percentage of minimum wage earners among Canadian provinces at 0.8% (+9980 employees). **Please note:** Employees of organizations (+1,283,040 in Alberta) were used in this analysis, excluding those who were self-employed, unpaid family workers or worked more than 44 hours per week (+489,890 in Alberta).



As of June 1, 2005, Alberta continued to have the ninth highest provincial after-tax minimum wage from the last profile. British Columbia had the highest minimum wage and also the highest after-tax minimum wage. For details, see Appendix C. **Please note:** Appendix C provides results as of September 1, 2005. However, the timeline for this profile ends in June 2005. As a result, the minimum wages for Alberta and Saskatchewan will not match.

* See Appendix A

Alberta Minimum Wage Profile, July 2004 - June 2005

TABLE 1 - Proportion of Alberta Minimum Wage Earners by Age	July 2004 - June 2005	July 2003 - June 2004
15-19	31.0%	40.7%
20-24	18.0%	12.2%
25-29	11.4%	7.0%
30-34	4.4%	7.4%
35-39	7.7%	5.7%
40-44	8.9%	5.8%
45-49	5.9%	6.8%
50-54	2.5%	3.3%
55+	10.2%	11.1%

Minimum wage earners aged 15-24 years accounted for almost half of the total number of minimum wage earners in Alberta.

TABLE 2 - Proportion of Alberta Minimum Wage Earners by Type of Work	July 2004 - June 2005	July 2003 - June 2004
Full-Time	49.3%	46.6%
Part-Time	50.7%	53.4%

Part-time employees made up the majority of minimum wage earners (+50.7%). The percentage of full-time employees increased by 2.7 percentage points from the last minimum wage profile.

TABLE 3 - Proportion of Alberta Minimum Wage Earners by Employee Type	July 2004 - June 2005	July 2003 - June 2004
Private Sector Employee	90.1%	86.8%
Public Sector Employee	9.9%	13.2%

The percentage of minimum wage earners in the private sector increased by 3.3 percentage points.

TABLE 4 - Proportion of Alberta Minimum Wage Earners by Nature of Job	July 2004 - June 2005	July 2003 - June 2004
Permanent *	73.4%	77.4%
Temporary *	26.6%	22.6%

The percentage of permanent employees dropped by 4.0 percentage points from the last profile.

* See Appendix A

Alberta Minimum Wage Profile, July 2004 - June 2005

TABLE 5 - Proportion of Alberta Minimum Wage Earners by Union Status	July 2004 - June 2005	July 2003 - June 2004
Non-Union Employee	91.0%	95.2%
Union Member	6.5%	4.1%
Union Coverage	2.6%	0.7%

The majority of minimum wage earners were non-union employees (+91.0%).

TABLE 6 - Proportion of Alberta Minimum Wage Earners by Job Experience	July 2004 - June 2005	July 2003 - June 2004
Less than One Year	45.0%	53.2%
One to Five Years	31.9%	24.3%
More than Five Years	23.2%	22.5%

Forty five percent of those working for minimum wage had less than one year's job experience. Almost one third (+31.9%) of the total minimum wage earners had one to five years of experience.

TABLE 7 - Proportion of Alberta Minimum Wage Earners by Industry	July 2004 - June 2005	July 2003 - June 2004
Accommodation and Food Services	28.3%	32.2%
Retail Trade	14.9%	13.0%
Information, Culture and Recreation	12.6%	8.1%
Other Services (except Public Administration)*	9.2%	6.5%
Management, Administrative and Other Support	5.5%	1.3%
Other Industries	29.5%	38.9%

The largest percentage of minimum wage earners were in the following industries: Accommodation and Food Services (+28.3%); Retail Trade (+14.9%) and Information, Culture and Recreation (+12.6%). Management, Administrative and Other Support (+5.5%) replaced Finance, Insurance, Real Estate and Leasing as the fifth largest industry with minimum wage earners in Alberta from the last profile.

* See Appendix A

Alberta Minimum Wage Profile, July 2004 - June 2005

TABLE 8 - Proportion of Alberta Minimum Wage Earners by Occupation	July 2004 - June 2005	July 2003 - June 2004
Sales and Service, n.e.c.*	29.7%	16.5%
Chefs and Cooks	16.0%	18.9%
Retail Salespersons and Sales Clerks	12.4%	16.3%
Financial, Secretarial and Administrative	6.2%	7.8%
Clerical Occupations	5.5%	13.1%
Others	30.3%	27.4%

The largest percentage of minimum wage earners were employed in the following occupations: Sales and Service, n.e.c. (+29.7%); Chefs and Cooks (+16.0%) and Retail Salespersons and Sales Clerks (+12.4%). From the last minimum wage profile, Sales and Service, n.e.c. increased by 13.2 percentage points while the next four occupations decreased.

TABLE 9 - Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment	July 2004 - June 2005	July 2003 - June 2004
0-8 Years (Elementary)	2.2%	7.2%
Some High School	33.1%	31.5%
High School Graduate	19.0%	17.7%
Some Post Secondary	12.2%	12.1%
Post Secondary Certificate or Diploma	22.0%	17.6%
University Degree	11.5%	14.0%

More than one third of minimum wage earners had less than a high school diploma (+35.3%). Approximately another third had either a post-secondary certificate or diploma or university degree (+33.5%).

TABLE 10 - Proportion of Alberta Minimum Wage Earners by Gender	July 2004 - June 2005	July 2003 - June 2004
Female	64.9%	58.3%
Male	35.1%	41.7%

Females made up 64.9% of the minimum wage earners in Alberta, an increase of 6.6 percentage points from the last profile.

* See Appendix A

APPENDIX A

Methodology

The data for this profile is gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation (DDE) branch of Alberta Human Resources and Employment (AHRE) receives LFS files from Statistics Canada. This includes a Microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed from the Microdata using the statistical software package, Statistical Analysis System (SAS). The Canadian territories are not captured in the LFS so they are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The Microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the July 2004 to June 2005 figures. The results are validated using different LFS variables that are also produced with SAS. The final result is the minimum wage profile.

Sources of Information

All information was taken from Statistics Canada, Labour Force Survey Microdata Files, with the following exceptions:

Appendix B: Minimum Wage Comparisons
Source: Alberta Finance and Respective Provincial Jurisdictions

Definitions*

Employees
In this analysis, people who were either self-employed or listed as having an hourly wage rate of $0.00 were removed from the overall employment figure to determine the number of employees. Starting with the 2003 Minimum Wage Profile (January 2003 – December 2003), employees working greater than 44 hours were excluded from the analysis. The number of employees in organizations is different from the employment figure for Alberta.

Full-Time
People who usually work 30 hours or more per week at their main or only job.

Personal, Household and Other Services Industry
Consists of establishments engaged in repairing or maintaining: motor vehicles, machinery, equipment and other products; providing personal services; organizing/promoting religious activities; and promoting/advocating causes in various organizations and associations.

Part-Time
People who usually work less than 30 hours per week at their main or only job.

Permanent
A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. That is, there is no pre-determined termination date.

Sales and Service (n.e.c. – not elsewhere classified)
Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and Service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include Hairstylists, Cleaners, Butchers, etc.

Temporary
A temporary job has a predetermined end date, or will end as soon as a specified project is completed, including seasonal jobs; temporary, term or contract jobs, including work done through a temporary help agency; casual jobs; and other temporary work.

Wage
Hourly wage/salary before taxes and other deductions, including tips, commissions and bonuses.

*These definitions, except for the **employee** definition, are from Statistics Canada.

Minimum Wage Rates Used

The Minimum Wage Profile uses rates as of June 1, 2005. Appendix B lists the current minimum wage rates for the ten Canadian provinces before and after tax. Rates often change and may be listed differently than those used in this profile.

Several provinces have scheduled increases to their minimum wage rates in the coming 12 months. Here is a summary of upcoming minimum wage increases:

Province	Minimum Hourly Wage Rate as of June 1, 2005	New Minimum Hourly Wage Rate	Effective Date
Alberta	$5.90	$7.00	September 1, 2005
Saskatchewan	$6.65	$7.05 $7.55	September 1, 2005 March 1, 2006
Ontario	$7.45	$7.75	February 1, 2006
New Brunswick	$6.30	$6.40	January 1, 2006
Nova Scotia	$6.50	$6.80 $7.15	October 1, 2005 April 1, 2006
Newfoundland & Labrador	$6.25	$6.50 $6.75	January 1, 2006 June 1, 2006

APPENDIX B
Minimum Wages - All Canadian Jurisdictions

July 8, 2005

Jurisdiction	Rates Per Hour					Effective Date
	General	Students Under 18	Inexperienced Workers	Other		
Federal	Replaced by provincial rates.					Jul 1, 1996
British Columbia	$8.00		$6.00 First 500 hrs. of employment.			Nov 1, 2001 (Inexperienced - Nov 15, 2001)
[redacted]						
Saskatchewan	$6.65 $7.05 $7.55 $7.95					Nov 1, 2002 Sep 1, 2005 Mar 1, 2006 Mar 1, 2007
Manitoba	$7.25					Apr 1, 2005
Ontario	$7.45 $7.75 $8.00	$6.95 $7.25 $7.50		Liquor servers in licensed establishments	$6.50 $6.75 $6.95	Feb 1, 2005 Feb 1, 2006 Feb 1, 2007
Quebec	$7.60			Employees receiving tips	$6.85	May 1, 2005
New Brunswick	$6.30 $6.40 $6.60					Jan 1, 2005 Jan 1, 2006 Jan 1, 2007
Nova Scotia	$6.50 $6.80 $7.15		$6.05 First 3 months' employment.			Apr 1, 2004 Oct 1, 2005 Apr 1, 2006
Newfoundland & Labrador	$6.25 $6.50 $6.75 $7.00					Jun 1, 2005 Jan 1, 2006 Jun 1, 2006 Jan 1, 2007
Prince Edward Island	$6.80					Jan 1, 2005
Northwest Territories	$8.25					Dec 28, 2003
Nunavut	$8.50					Mar 3, 2003
Yukon	$7.20					Oct 1, 1998

Summary of Minimum Wage Rates in Canada

Rates in Effect and Announced to Come Into Effect up to March 1, 2007

Alberta ($7.00/hr.)
Newfoundland (**$7.00**/hr.)
New Brunswick (**$6.60**/hr.)
Saskatchewan (**$7.95**/hr.)
Nova Scotia (**$7.15**/hr.)
Prince Edward Island (**$6.80**/hr.)
Yukon (**$7.20**/hr.)
Manitoba (**$7.25**/hr.)
Quebec (**$7.60**/hr.)
Ontario (**$8.00**/hr.)
British Columbia (**$8.00**/hr.)
Northwest Territories (**$8.25**/hr.)
Nunavut (**$8.50**/hr.)

APPENDIX C

Minimum Wage Comparisons
2005

* For Single Income Earners

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	$ 7.00	$ 8.00	$ 7.05	$ 7.25	$ 7.45	$ 7.60	$ 6.30	$ 6.50	$ 6.80	$ 6.25
Salary (2000 hrs)	$ 14,000	$ 16,000	$ 14,100	$ 14,500	$ 14,900	$ 15,200	$ 12,600	$ 13,000	$ 13,600	$ 12,500
Federal Tax	**$ 1,728**	**$ 2,232**	**$ 1,745**	**$ 1,840**	**$ 1,949**	**$ 2,037**	**$ 1,412**	**$ 1,489**	**$ 1,627**	**$ 1,377**
Personal Income Tax	$809	$1,107	$824	$884	$944	$988	$601	$661	$750	$586
CPP/EI	$793	$931	$800	$827	$855	$876	$696	$724	$765	$689
GST	$125	$194	$121	$129	$151	$173	$115	$105	$112	$102
Provincial Tax	**$ 233**	**$ 327**	**$ 697**	**$ 896**	**$ 699**	**$ 472**	**$ 207**	**$ 592**	**$ 836**	**$ 621**
Personal Income Tax	$0	$27	$539	$533	$328	$177	($200)	$143	$281	$129
Sales Tax	$0	$301	$158	$363	$371	$295	$457	$448	$554	$492
Health Care Premium	$233	$0	$0	$0	$0	$0	$0	$0	$0	$0
Summary										
Before Tax Ranking	6	1	5	4	3	2	9	8	7	10
Total Tax	$ 1,960	$ 2,560	$ 2,441	$ 2,736	$ 2,648	$ 2,509	$ 1,619	$ 2,081	$ 2,463	$ 1,997
After Tax Salary	$ 12,040	$ 13,440	$ 11,659	$ 11,764	$ 12,252	$ 12,691	$ 10,981	$ 10,919	$ 11,137	$ 10,503
After Tax Wage Rate	$ 6.02	$ 6.72	$ 5.83	$ 5.88	$ 6.13	$ 6.35	$ 5.49	$ 5.46	$ 5.57	$ 5.25
After Tax Ranking	4	1	6	5	3	2	8	9	7	10

Based on the best information available as of: July 7, 2005 for the 2005 provincial tax systems. Minimum wage rates as of: September 1, 2005.

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and EI credits are claimed. No shifting assumptions are made.

Source: Alberta Finance and Respective Provincial Jurisdictions